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S E C R E T SECTION 01 OF 04 JAKARTA 002549

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DEPARTMENT FOR D, P, T, EAP, EAP/MTS, NEA, NEA/IR, ISN,  
ISN/RA, IO, IO/UNP  
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TAGS: [PREL](#) [MNUC](#) [PARM](#) [ETRD](#) [UNSC](#) [ID](#) [IR](#)

SUBJECT: INDONESIAN/IRANIAN RELATIONS: MARGINAL SUBSTANCE,  
BUT COMPLEX DUE TO NUCLEAR ISSUE

REF: A. JAKARTA 1919

[1](#)B. 06 JAKARTA 6026

[1](#)C. JAKARTA 2276

[1](#)D. JAKARTA 1793

Classified By: Pol/C Joseph Legend Novak, reasons 1.4 (b,d).

[1](#)1. (C) Summary: Many elements of a strong bilateral relationship remain underdeveloped between Indonesia and Iran. The two countries maintain marginal trade and investment links. Defense and security cooperation is virtually nonexistent. Despite this, much of the public and Indonesian legislature support Iran during the current crisis over its nuclear program as a result of a vaguely anti-U.S. worldview and feelings of Muslim solidarity. When looking at the Iranian nuclear issue, Indonesian policy makers are driven primarily by domestic political calculations and global nonproliferation goals rather than concern about the aggressive nature of the Iranian regime. The appearance of Iranian cooperation with the IAEA complicates Indonesian support for another UNSC resolution. A consensus among the UNSC P-5 will be essential to any successful lobbying here. End Summary.

DPR rips into Yudhoyono  
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[1](#)2. (S) Some of Iran's most vocal Indonesian supporters are in the House of Representatives (DPR). Immediately after the vote on UNSCR 1747, the DPR went after the Yudhoyono administration with a fury. Legislators from all major political parties except Yudhoyono's own small Democratic Party waged a three-month battle to force the president to explain the vote before a plenary session of the DPR. As we reported previously, Iran promised financial benefits, including oil concessions, to the leaders of major parties in the DPR, including Speaker Agung Laksono (Ref A), if they would take steps to support Iran in the crisis.

[1](#)3. (S) In addition to personal benefit, DPR motives for pushing this issue include Muslim solidarity, domestic political calculation, and a power struggle between the executive and the legislature. Department of Foreign Affairs (DEPLU) contacts and foreign policy watchers most frequently mention Abdillah Toha, a member of the Islamic National Mandate faction (PAN), as committed to supporting Iran on the grounds of Muslim solidarity. His is a rare case. More commonly, politicians jockeying for the 2009 elections see

the Iranian nuclear issue as providing a cost free opportunity to attack SBY's government. The DPR's Commission I, responsible for foreign affairs and defense, sees the issue as a way to assert its newly emerging legislative authority in foreign policy making.

14. (C) Several well-connected interlocutors have told us that the DPR may have overplayed its hand pushing the Iran issue for so long and so stridently. Indonesians are increasingly impatient with this transparently political power struggle between the DPR and the President delaying action on important legislation. As a result, the DPR has recently put on hold any effort to force the president to testify and the criticism has quieted down.

Iranian outreach  
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15. (C) Iranian lobbying has built support among Indonesian Muslims, who constitute about 85 percent of the population. The Iranian Embassy has been engaged in a long-standing and ongoing campaign to garner the support of Indonesia's Muslim leaders. In advance of the vote on UNSCR 1747, for example, Iranian officials visited the leaders of Indonesia's two largest mass Muslim organizations, Nahdlatul Ulama (NU) and Muhammadiyah, to press for support. After the UNSC vote, NU and Muhammadiyah slammed the Indonesian government. The loudest and most frequent critic, NU's Hasyim Muzadi, charged that "if war breaks out eventually between Iran and the US, the Indonesian government will be responsible." DEPLU called in the Iranian Ambassador to protest the aggressiveness of the Iranian campaign here.

16. (C) Although less strident, Muhammadiyah Chairman Din

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Syamsuddin also criticized the vote, saying that "if we want to be consistent, Indonesia should also press for sanctions against all countries that have a nuclear program, including Israel and the United States." Even former president and one-time head of NU Abdurrahman Wahid ("Gus Dur") accused the GOI of being "George Bush's henchman," although he later backed away somewhat from his initial negative stance. Not surprisingly, the Muslim hard-liners have been more vitriolic. The Muslim Defenders Team (TPM), a group of attorneys who defend extremist suspects, threatened a lawsuit against SBY, saying that "this lawsuit (would be) a message from the ulama circle that they do not agree with the government's decision to support the resolution."

17. (C) While religious affinity is a factor for some, Iran also appeals to secular Indonesians whose views are shaped by anti-colonial nationalism and the Non-Aligned Movement (NAM).

Iran, as a leader of the NAM, has capitalized on this support by pitching itself to Indonesians as defending the rights of NAM countries against the U.S. This dynamic was particularly apparent during President Ahmadinejad's May 2006 visit to Indonesia. Many Indonesians looked at him with nostalgia for a Sukarno-like figure who could stand up for the rights of developing countries against "bullying" by the U.S. As we have reported previously, the GOI, and President Yudhoyono personally, were angered by Ahmadinejad's antics in Jakarta. Indonesian leaders were embarrassed that the Indonesian public treated him like a rock star (Ref B). Shortly after Ahmadinejad's visit, the GOI turned off a proposed visit by Venezuelan president Hugo Chavez out of fear that he would espouse the same anti-American rhetoric, and receive the same rapturous welcome from Indonesians. Similarly, SBY refused to meet the Iranian FM when he dropped into Jakarta uninvited in the days just before the vote on UNSCR 1747.

18. (C) Iran has exploited a generally cool relationship between Indonesia and leading Arab states. While they are also predominantly Sunni, many Indonesians resent that the "Wahhabi" Muslims of the Gulf do not recognize as truly

Islamic Indonesia's syncretic and Sufi-influenced variant of their faith. Iran, adhering to a Shia Islam that is mystical and syncretic, seems to some Indonesians somewhat closer to their own religious inclinations, although few Indonesians really are expert in Sunni-Shia differences, and Indonesian Islam is far more moderate and tolerant than the Iranian variety. (Note: The percentage of Shia in Indonesia is extremely small -- see septel.) Regular cases of Indonesian migrant workers abused and exploited in Saudi Arabia and other Gulf States also contribute to Indonesian coolness toward the Arabs. Iran also appears to many Indonesians to be more effective than the Arab states as a champion of Muslim causes, most notably that of the Palestinians. This has bought Iran significant good will with Indonesians.

¶9. (C) U.S. diplomatic efforts have focused on explaining our Middle East policy and on building support for that policy among the Indonesian public. In meetings with Indonesian officials, we have stressed our shared interest in nonproliferation. In these efforts we must remain mindful of the fact that many Indonesians view the U.S. as a "bully" that tries to dictate what developing countries can do. As an example, many Indonesians point to a telephone call between Presidents Bush and Yudhoyono prior to the vote on ¶1747. While the call had been primarily a discussion of an upcoming G-33 meeting on the Doha Round, Indonesians saw it as the United States telling Indonesia to "shut up and take notes" on how to vote in the UNSC. Although we have actively pressed our case on Iran, our efforts are hampered by the fact that aggressive U.S. lobbying risks provoking a negative backlash, a danger that is far less acute for the Iranians.

Follow the money if you can find it  
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¶10. (C) Economic ties between the two countries remain marginal. Leading economic thinker M. Chatib Basri told econoff recently that there was no significant Iranian investment in Indonesia sufficient to influence GOI behavior. He also said the small amount of trade and investment between the two countries has little effect on Indonesia's

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foreign policy toward Iran. The GOI's own "direction of trade" figures support Basri's assessment. Indonesia's most important trading partners are the industrial countries and non-industrial Asia, which together accounted for 91 percent of total Indonesian trade in 2006. In contrast, two-way trade with Iran in 2006 was just 0.2 percent of Indonesia's total trade.

¶11. (C) Indonesia's largest fertilizer company, PT Pupuk Sriwijaya, is close to finalizing a deal with an Iranian partner to build a US\$600 million fertilizer plant in Iran. The Indonesian company would own 50 percent of the plant, although financing details remain under discussion. To attract the investment, Iran has offered natural gas from the South Pars field at a quarter of the going rate in Indonesia (Ref C).

What military relationship?  
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¶12. (S) Another significant gap in Indonesia-Iran relations is military ties; they are virtually nonexistent. Despite occasional statements at the ministerial level that both countries share strategic interests, the Indonesian military (TNI) has little contact with its Iranian counterpart. In response to previous demarches, DEPLU assured us that Indonesia had no military cooperation agreements nor any arms trade with Iran (Ref D).

DEPLU and the Palace get it, mostly  
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¶13. (C) Key senior interlocutors in the president's office and at the Department of Foreign Affairs (DEPLU) have repeatedly indicated to us that they view the Iran nuclear issue through the lens of Indonesia's long-standing support of international nonproliferation and disarmament. When pressed on Iran Indonesian officials are quick to point out the alleged U.S. double standard in not calling for international pressure against Israel's reported nuclear weapons program. They also refuse to acknowledge the aggressive nature and destabilizing influence of Ahmadinejad's regime. That said, Indonesian leaders do not see the nuclear issue as a bilateral one between Indonesia and Iran. Indonesian leaders will decide how to vote on any future UNSCR dealing with Iran based primarily on their domestic political calculus and on their assessment of whether that resolution advances Indonesia's nonproliferation priorities. High level sustained U.S. engagement and P-5 consensus will be essential when the resolution comes forward.

¶14. (C) Many working-level Indonesian officials, however, are not on the same page as more senior officials. A German Embassy officer, who frequently lobbies Indonesia on behalf of the EU on Iran, told us that Indonesian officials do not understand the real nature of Iran's nuclear program. For example, following a recent briefing by visiting ISN officials on Iran's outstanding issues with the IAEA, DEPLU officials asked how Iran's nuclear program was any different from Indonesia's own aspirations for a civilian nuclear program.

Now the bad news

¶15. (C) The Iran-Indonesia relationship is not sufficiently strong to compel Indonesian support for Iran in the UNSC. Despite this, it will be difficult to secure Indonesian support for a future UNSC resolution on Iran as long as Iran appears to be cooperating with the IAEA. The August 30 IAEA Director General's report on Iran makes our job more difficult. Key decision makers at DEPLU and in the president's office know that they have to justify voting for any new resolution in terms of Indonesia's support for international nonproliferation norms. Given the domestic political storm they weathered following the vote on UNSCR 1747, and the perception that Iran is now cooperating with the IAEA, the GOI is reluctant to move forward with another UNSCR on Iran anytime soon. The fact that President Yudhoyono will face the voters again in 2009 adds to his caution on this high-profile issue. To have any chance of success, our approach must give President Yudhoyono political

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cover in the face of those who want to use this issue to attack him. A P-5 consensus is also essential to securing Indonesian support and will help Yudhoyono justify a yes-vote at home.

USG strategy

¶16. (C) USG strategy to engage Indonesia on this matter is on the right track. Mission recommends that we continue to emphasize the following three priorities:

-Continue consultations at all levels with the GOI on Iran issues;

-Regularly underscore U.S. support for a peaceful resolution of the issue in our public statements; and

-Continue to press Indonesia privately, stressing our shared nonproliferation goals while pointing out the aggressive and destabilizing nature of the Iranian regime.

HUME